THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (b) As reported by RBI, outstanding advances granted to Weaker Sections under Priority Sector lending by Public Sector Banks (PSBs) as increased in absolute terms in the last three years. These advances rose from Rs. 55,016 crore as on the last reporting Friday of March 2005 to Rs. 94,285 crore as on the last reporting Friday of March 2007. However, as a percentage of Net Bank Credit (NBC) the achievement against the target of 10% was 7.16% in 2006-07. This was primarily due to a substantial rise in NBC.

The Government has taken specific initiatives for financial inclusion and for increasing the outreach of the banking sector to the financially excluded, underprivileged and unbanked population. These include introduction of 'zero balance' or 'no frills' accounts; pilot projects for utilizing smart cards/mobile technology to increase banks' outreach; biometric methods for uniquely identifying customers; pilot project to identify at least one district in each State/ Union Territory for achieving 100 per cent financial inclusion; survey for assessing customer satisfaction in rural areas; permission given to banks to utilize the services of non-Governmental organizations/self-help groups, micro-finance institutions (other than Non-bank Financial Companies) and other civil society organizations as intermediaries in providing financial and banking services; policy initiatives to facilitate diversification of business operation of regional rural banks into new areas; agreements between banks and postal authorities for using post offices as business correspondents; several initiatives for improving delivery of customer services and, constitutions of State-specific Working Groups to explore possibilities of greater financial inclusion.

The Reserve Bank of India (RBI) Master Circular for Priority Sector Lending dated July 2, 2007 *inter alia* stipulates that a target of 10% of the Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, is to be given to the 'Weaker Sections' by domestic scheduled commercial banks, both in the public and private sectors. The guidelines on priority sector lending are available at RBI's website http://www.rbi.org.in.

Special law for safeguarding interest of depositors

*337. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether Government is considering promulgating any special law for making provisions to safeguard the interest of the depositors in financial establishments;

(b) whether it is a fact that 14 States have enacted a special law to safeguard the interest of the depositors in financial establishments after due approval of the Government; and

(c) if so, the steps the remaining States are taking in this respect?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) No such proposal is under consideration of the Central Government. The Reserve Bank of India has been pursuing with the State Governments and Union Territories to enact a law to safeguard interest of depositors in financial establishments. So far, the State Governments of Andhra Pradesh, Assam, Bihar, Goa, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Mizoram, New Delhi, Tamil Nadu, Tripura and Uttaranchal have enacted certain legislations for protection of interests of depositors.

RBI has further reported that the Bombay High Court, *vide* its Judgement dated September 5, 2005 in a batch of petitions namely Vijay C Puljal & Others *Vs.* State of Maharashtra & Others declared the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999 (MPID Act) to be ultra vires of the Constitution of India on grounds of lack of competence of the State Legislature to enact such law. The State Government has gone in appeal before the Supreme Court in the matter.

Subsequent to the decision of the Bombay High Court, the Full bench of Madras High Court considered the validity of the Tamil Nadu State legislation for the purpose of protection of depositors in Mrs. S. Bhagvathy *Vs.* State of Tamil Nadu on March 2, 2007. The Madras High Court held that the Tamil Nadu Act, is traceable to Entries 1 and 32 of List 11 (State list), besides falling under Entries 1, 7 and 8 in the concurrent list, and that it does not fall within the legislative field of the Union List. An appeal against the Madras High Court judgment is reported to be pending before the Supreme Court.

Strategic crude oil reserves

*338. SHRI JESUDASU SEELAM:
SHRIMATI SUPRIYA SULE:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether construction of strategic crude oil storages will begin this year as an insurance against disruptions during wars and other emergencies;

(b) whether of the three sites selected to hold 5 million tons a year's crude oil reserves is equivalent to country's 15 days requirement;

(c) whether it is proposed to double the overall strategic reserve capacity to 73.3 million barrels, twice the 15 days cover planned currently;

(d) by when the remaining sites of the capacity would be considered; and

(e) to what extent this would help the country in meeting the shortage during the emergency period?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) The Strategic Oil Reserves are being located at Visakhapatnam, Mangalore & Padur. The construction activities of Strategic Oil Reserves at Visakhapatnam have already begun. For the Mangalore Project, tenders for pre-qualification of bidders are being issued. Construction activities at mangalore are expected to commence during the current financial year. As regards the Padur project, pre-construction activities such as survey for land acquisition, application for environmental clearances and pipeline route survey are in progress.

(b) The three sites will together hold 5 Million Metric Ton (MMT) crude oil reserves, which is equivalent to about 14 days' cover on consumption basis and 19 days' cover on net import basis of 2006-07.

(c) and (d) The Government has approved creation of a total of 15 MMT strategic storage capacity which will be done in phases, after completion of the ongoing first phase of 5 MMT capacity.

(e) In conjunction with the tankage capacity available with the Public Sector Oil Companies, the Strategic Reserves will enable the country to deal with situations of